

**The STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION**

**IN THE MATTER OF:**

**DEMARCUS LEON HILL**

**RESPONDENT**

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**ADMINISTRATIVE ORDER**  
**NO. CD-2021-0007**

**CEASE AND DESIST ORDER**

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, having confirmed information of the offer for sale of securities, into, within or from the state of Alabama, has determined as follows:

**RESPONDENT**

1. **DEMARCUS LEON HILL (HILL)**, at all-times relevant to the transaction described herein, was an Alabama resident with an address of 408 Summerchase Drive, Hoover, Alabama 35244.

**STATEMENT OF FACTS**

2. In November 2020, the Commission Staff received information regarding an investment opportunity offered by **HILL** to a Texas resident ("Investor") involving the purchase and expansion of Alamerica Bank ("Alamerica"). **HILL** was initially seeking an investment of \$100,000 from the Investor and promising a significant return on the funds invested.

3. In March 2020, **HILL** sent the Investor offering documents, including but not limited to a letter on supposed Alamerica letterhead, outlining the terms of the investment. The Investor indicated to the Commission Investigator that based on the offering documents and representations made by **HILL**, the invested funds would go towards the purchase and expansion of Alamerica Bank, and in return the Investor would receive 1,000 non-voting shares of stock once obtained by **HILL**, become the Owner/Director of a bank branch located in Texas, and would receive a significant return on the invested funds in a short time frame. Based on the information provided by **HILL** the Investor decided to invest \$45,000 in this investment opportunity.

4. On March 9, 2020, the Investor wire transferred \$45,000 to the bank account of **HILL's** attorney, per instructions provided to the Investor by **HILL**. As of the date of this Order, the investor has not received a return on her investment, 1,000 shares of stock, nor an ownership interest or position with a bank branch in Texas.

5. In October 2020, the Investor spoke with a representative of Alamerica Bank and learned that **HILL** was not affiliated in any capacity with Alamerica. Subsequently, the Investor contacted **HILL** and requested the return of the invested funds, but to date has not received any return.

6. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on September 28, 2021 and disclosed no record of registration, nor any perfected exemption from registration for the securities offered or caused to be offered by **HILL**.

7. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on September 28, 2021 and disclosed no record of registration for **HILL** as a broker-dealer, broker-dealer agent, investment advisor, or investment advisor representative, in the state of Alabama.

## CONCLUSIONS OF LAW

8. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of a security includes an investment contract. The investment offered and/or sold by **HILL**, more specifically relating to the purchase of Alamerica Bank, required the investor to invest funds in a common enterprise with the expectation of profits from the efforts of **HILL**. Therefore, the security offered and/or sold by **HILL** is an investment contract and thus a security under the Act.

9. Pursuant to Section 8-6-2 (10), Code of Alabama 1975, includes any "stock" in the definition of a security. The investment offered and/or sold by **HILL** to the Texas resident included shares of stock in Alamerica Bank, and thus constitutes a security under the Act.

10. Pursuant to Section 8-6-2(2), Code of Alabama 1975, the definition of "agent" includes any individual who represents a dealer or an issuer in effecting or attempting to effect sales of securities. **HILL**, by soliciting and effecting a securities transaction, is an agent as defined under the Act.

11. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in this state as a dealer or agent for securities unless they are registered under the Act. **HILL** acted as an agent in the sale of a security in the state of Alabama without the benefit of registration in violation of the Act.

12. Pursuant to Section 8-6-4, Code of Alabama 1975 states: "It is unlawful for any person to offer or sell any security in this state unless it is registered under this article; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11." The securities offered and/or sold by **HILL** were neither registered nor exempt from registration in Alabama in violation of the Act.

This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Alabama Securities Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the **RESPONDENT** to make a timely request for hearing, or default of the **RESPONDENT**, it is the intention of the Commission to impose sanctions upon the **RESPONDENT**. Such sanctions may include, inter alia, an administrative assessment imposed on **RESPONDENT**, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against **RESPONDENT**, and/or a permanent order to bar **RESPONDENT** from participation in any securities related industry in the state of Alabama.

**ACCORDINGLY, IT IS HEREBY ORDERED** that **RESPONDENT** immediately **CEASE AND DESIST** from further offers or sales of any security into, within, or from the state of Alabama.

Entered at Montgomery, AL this 29th day of December, 2021.

ALABAMA SECURITIES COMMISSION  
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(334) 242-2984

BY:

  
JOSEPH P. BORG  
Director

